

Information

Reporting of Non-Payroll Payments

Effective

February 3, 2003

Applicability

This policy applies to all University Employees (administrators, faculty, and staff).

Administrative Authority

Vice President for Finance and Chief Financial Officer

Responsible Unit

Controller's Office

Disbursement Service

Service Complex

Louisville, KY 40292

Phone: 502.852.6273

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History

Revision Date(s): May 1, 2025; January 13, 2025

Reviewed Date(s): March 4, 2010; March 18, 2025

Categories

Statement:

The University of Louisville is required to report non-employee miscellaneous income payments totaling \$2,000 or more per year (\$600 for 2025 or prior) to the Internal Revenue Service on Forms 1099-MISC or 1099-NEC. Examples of reportable payments include:

1. Payments to non-employees for services rendered including payments for fees, awards and prizes, commissions and personal service contracts.
2. Payments to recipients other than real estate agents for rental of property and equipment.
3. Royalty payments of \$10 or more per year.
4. Prize and award payments that are not for services rendered.
5. Medical, health and legal service payments including payments to corporations.
6. Payments to an employee for services unrelated to the employee's position, such as blood donor payments.

With the exception of medical payments, only payments to individuals and partnerships are 1099 reportable. Scholarship and fellowship payments are not within the scope of 1099 reporting. If a service is required to be performed as a condition for receiving a grant, the payments are reported through the W-2 reporting process.

REPORTING OF NON-EMPLOYEE COMPENSATION PAYMENTS

Request for 1099 reportable payments must include the following information:

1. Full name of payee.
2. Permanent home address.
3. Social security number or tax identification number.
4. Payment description.

The W-9 form and Vendor Survey should be obtained prior to the service being provided, and they should be submitted with payment request (or at the time the vendor number is requested if PO-related).

FILING FORM 1099-MISC AND 1099-NEC WITH THE INTERNAL REVENUE SERVICE

1. The Controller's Office will prepare the appropriate form for each recipient who received at least \$2,000 in non-employee compensation payments during a calendar year (\$600 for 2025 or prior). The 1099's will be mailed to each recipient no later than 31 days after the close of the calendar year (January 31).
2. The Controller's Office will submit a copy electronically of the 1099 information to the Internal Revenue Service.
3. The Controller's Office maintains a file which lists all the information submitted to the Internal Revenue Service.
4. After the file is submitted to the IRS, any subsequent corrections are prepared by Controller's Office staff. A copy is sent to the recipient, another copy is sent to the Internal Revenue Service, and a copy is retained by the Controller's Office.